

South Carolina Department of Commerce



Data Center Opportunities in South Carolina



South Carolina:

The Perfect Business Location

South Carolina understands the needs of today's businesses. That understanding is reflected in the state's business-friendly climate and its worker training programs, offered through readySC™. South Carolina has developed a reputation as a place where businesses can prosper and is consistently ranked among the top 10 states in the nation for its business environment. Some of the state's recent national recognitions include:

- Among the Top Three in the Percent of Private Industry Employed by Foreign-Affiliated Companies, U.S. Bureau of Economic Analysis.
- Among the Top Five for Most Business Friendly States, Pollina Corporation.
- Among the Top Five for Best State Worker Training Program, readySC™, *Expansion Management* magazine.
- Among the Top 10 for Lowest Cost for Doing Business, Milken Institute.
- Among the Top 10 for Best Pro-Business Regulatory Environment, *Forbes*.

Furthermore, South Carolina is among 10 states with the lowest cost of labor on *Business Facilities'* 2007 "Cost of Labor Ranking." Combine this business-friendly environment with a strong and growing back-office sector, and it becomes readily apparent why many data centers enjoy calling South Carolina home.

South Carolina:

Opportunities Abound

Expansion Management and the National Policy Research Council teamed up to rank South Carolina fourth on their list of Top 15 States for Recruitment & Attraction. Charleston-North Charleston and Columbia made their Top 20 Mid-Size Metros list; Myrtle Beach made the Top 20 Small Metros list. Statewide, there is an abundance of locations from which a business can choose — from the Lowcountry and Coastal region all the way to the mountainous Upstate, and anywhere in between.

The Lowcountry and Coastal region continues to be a major non-urban area experiencing expansive growth in the state. Many are attracted to the region due to its unsurpassed quality of life. If a more central location is desired, the Midlands region in South Carolina is an excellent option for a business to locate. This area is also experiencing tremendous growth, and businesses are benefiting from low operating costs, a central location and a rapidly growing labor pool.

The Upstate region of South Carolina offers an array of buildings, in a variety of sizes and locations, in which a data center can set up operations quickly. There are several higher education institutions in the area that provide a young, dynamic and knowledgeable workforce. Because the cost of operating a business in South Carolina is highly competitive compared to its Southeastern counterparts, any location across the state offers a tremendous quality of life that many will find a great place to live, work and play.



An Ideal Location for Data Centers

Establishing and maintaining a data center has many challenges. South Carolina recognizes and understands the needs of data centers ranging from an advanced fiber network to locating a growing and skilled workforce. In particular, labor shortages have become a significant challenge to businesses needing to quickly establish a data center and maintain constant uptime. To this end, the state has a large labor pool that is strong, reliable and fast growing. In fact, South Carolina grew by more than 77,000 people last year, largely due in part to people actively moving to the state. According to the Census Bureau, since 2000, South Carolina has grown by more than 384,000 people.

The state's highly skilled—and growing—workforce is complemented by some of the most competitive wages in the U.S., making South Carolina an ideal location for meeting the needs of any data center. South Carolina's workforce is ready to work for you, ensuring your company has what it takes to meet the rapidly growing demands put on data centers today. Additionally, highly competitive workforce incentives help companies find, train and retain a productive workforce to stay competitive in today's global economy. South Carolina's premier workforce training program, readySC™, is nationally recognized and has been building a skilled, flexible and dependable workforce for over 40 years and is ready to put its expertise to work for you.

Occupations	South Carolina	United States	% Above/Below National Average
Computer Programmers	\$26.82/hr.	\$31.50/hr.	-14.9%
Computer Software Engineers, Applications	\$32.93/hr.	\$38.36/hr.	-14.2%
Computer Software Engineers, System Software	\$33.31/hr.	\$41.04/hr.	-18.8%
Computer Support Specialists	\$17.67/hr.	\$19.94/hr.	-11.4%
Computer System Analysts	\$29.68/hr.	\$33.54/hr.	-11.5%
Network and Computer Systems Administrators	\$24.82/hr.	\$29.87/hr.	-16.9%
Computer and Mathematical Science Occupations	\$26.26/hr.	\$31.80/hr.	-17.4%
Database Administrators	\$27.13/hr.	\$31.09/hr.	-12.7%
Electrical Engineers	\$36.34/hr.	\$36.50/hr.	-0.4%

Skilled Workforce

Dedication to encouraging economic growth has led to the state creating and fostering a strong labor force and business climate that companies find optimal for the production of their goods and services. The vital aspect of a strong workforce is a commitment to ensuring that workers are provided with the best training programs. South Carolina does just that through several aspects, including the nationally acclaimed program readySC™.

For more than 43 years, readySC™ has been recognized as one of the nation's premier economic development training programs. readySC™ helps organizations to start-up quickly and efficiently in today's competitive environment, and provides custom-designed solutions such as workforce recruiting, testing and experienced project management.

All of readySC™ services culminate in real economic value for any company. From a quick, successful start-up, to reduced turnover, to providing a qualified, motivated workforce, to delivering world-class training programs, readySC™ delivers value at little or no cost to companies.

readySC™—an Innovative Training Development Model

readySC™'s proven training development model is a **3-D Process** consisting of three phases designed to expertly provide the necessary skills, abilities and knowledge to make your project successful.

Discovery: readySC™ works with your subject matter experts to determine the skills, knowledge and abilities needed; as well as to define the desired culture and work environment at your new facility.

Design: The program then designs training to meet your specific needs. Team based? Five-S? GMP? readySC™ doesn't just deliver these individual courses; it can integrate their principles into every facet of the training so that your training plan is customized specifically to you.

Delivery: readySC™ is completely flexible in its delivery option: hands-on simulation of your working environment; computer based training; workstation training; virtual re-creation of your work processes; and handheld video delivery options.

readySC™ is ready to work with you to determine the right solution for your organization.



"South Carolina's workforce development model is best in class. The whole process from our company's standpoint allows us to make sure that we have the right people trained at the right place at the right time with the right motivation. South Carolina does this better than any other state that we do business in."

 **TOM STUBBINS**
VOUGHT AIRCRAFT INDUSTRIES, INC.
DREAMLINER 787 PROJECT



Fiber = Speed

What does your data center need to get up and running quickly? A large building? Reliable power at a competitive price? A fast and vast fiber optic network? Whatever your needs may be, South Carolina can provide the answer. The state has a proven track-record of getting businesses up and running quickly. From BMW in the Upstate to Vought in the Lowcountry, the S.C. Department of Commerce has helped a variety of companies establish their operations in South Carolina in record time. Examples like these helped Google choose South Carolina as their next data center location. The same expertise Commerce utilized to get these businesses up and running can be put to work for you, ensuring your data center operation is established quickly and efficiently.

Companies can hit the ground running in South Carolina and have operations completed in a matter of months. Facilities can be built to suit the needs of individual businesses, or they can choose from a variety of pre-existing buildings in the state. Speed of delivery is a must in the highly competitive IT industry.

The S.C. Department of Commerce realizes that companies need to establish data centers quickly and sometimes within tight timeframes. South Carolina can answer this need with a wealth of available sites that can be modified to suit your needs in a timely manner.

Because the state offers a multitude of shovel-ready sites, pre-existing buildings and available acreage, businesses can secure facilities faster and capitalize on their respective markets sooner. The state has created a single, proactive permit source through the S.C. Department of Health and Environmental Control to eliminate red tape that can inflate an expanding company's real and opportunity costs.

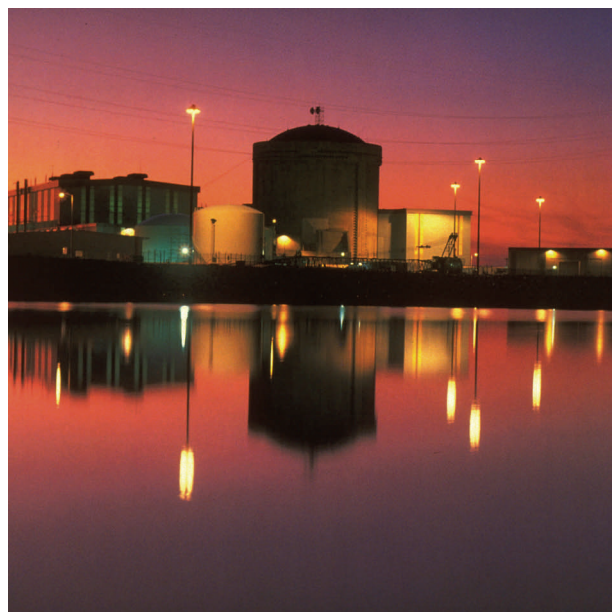
It is simply a matter of choosing what suits your company best. A streamlined permitting process means that unnecessary road blocks and obstacles have been removed. South Carolina has a history of fast and efficient project development which can be put to use to quickly establish a data center in the state.



"The accelerated timeline we enjoyed from ground-breaking to completion of our new facilities is a remarkable feat. It's a testament to the support and cooperation we received from state and local governments and agencies. These public-private partnerships have positioned us for success."

- Randy Smith, Chief Operating Officer,
Global Aeronautics, LLC

**Low Cost
of
Operation**



Low Utility Cost = Improved Bottom Line

Power is “mission critical” in data center operations. Whether it be rapidly processing thousands of financial transactions or supporting a company’s Internet and intranet facilities, the capacity to deliver this power in a timely and highly dependable manner is crucial for any data center operation. South Carolina understands that data centers may require large amounts of power, making cost an important factor.

South Carolina’s natural gas and electricity rates are some of the lowest and most economical in the nation. In particular, electricity rates in the state are considerably lower than both regional and national averages. The U.S. Energy Information Administration reports that the cost of electricity for industrial users in South Carolina is 25 percent below the U.S. average: 4.71 cents per kilowatt hour versus the U.S. average of 6.16 cents (Source: U.S. EIA, Electric Power Annual, October 22, 2007. Data is from 2006).

South Carolina also understands that interruptions to power supplies can have a tremendous effect on a company’s bottom line. South Carolina is committed to providing a steady, reliable supply of both gas and electricity — ensuring data centers a steady and reliable source of energy.



Telecommunications Network: One of the Best in the Business

Positive
Business
Climate

South Carolina maintains one of the most comprehensive telecommunications network in the region.



All areas of the state are served by digitally switched central offices and nearly \$2 billion has been invested for statewide fiber optic lines. Digital central offices provide dial tone, voice and switched data services, and have all the new features that digital technology brings with it. South Carolina has more than 450,000 high-speed lines connecting homes and businesses to the Internet.

Local telephone companies in the state have installed hundreds of thousands of miles of fiber strands and thousands of sheath miles of fiber cable across the state to provide rapid transport of data for businesses within the state. Self-healing ring networks with tremendous speeds are in place for hospitals, financial institutions, large industrial sites and data centers.

There are also local exchange carriers offering asynchronous transfer mode (ATM) services that allow businesses to have bandwidth on demand. ATM services offer a business the ability to have their voice, data and video on the same transport and share the available bandwidth with each application. Product development teams at the Columbia Design Center, Intel's premiere R&D location in the Southeast, focus on the development and validation of new high-end telecommunications servers. This ability to work with local experts in the design, maintenance or outsourcing of integrated computer systems is a necessity for many businesses.



Private industry is also being served with this high-speed infrastructure and ATM switching in South Carolina. The state's advanced fiber networks can connect locations in the state over a hundred miles apart. This allows industry to locate anywhere in the state with several sites in a local area or over the entire state without losing the ability to communicate quickly and efficiently.

Pro-Business Climate for Ensured Success

Nothing
Complements
Your Investment
Like Ours

South Carolina has fair wage rates, a right-to-work policy, easy access to government, trade secret protection, one-stop permitting, minimal start-up costs and performance-based incentives that reward job creation and investment. In the increasingly competitive global economy, South Carolina is committed to ensuring that any business can compete effectively. In addition to these advantages, the state offers an attractive and competitive incentive structure to businesses choosing to locate here. Some of these incentives include:

Retail Facility Rehabilitation Credits

This incentive provides an income tax credit for the renovation, improvement and redevelopment of abandoned retail facility sites in South Carolina. The taxpayer has the freedom to choose whether to claim the income tax credit or the real property tax credit.

Job Tax Credit

By creating new jobs in South Carolina, companies may be eligible for a tax credit against their South Carolina income tax liability.

Corporate Income Tax Moratorium

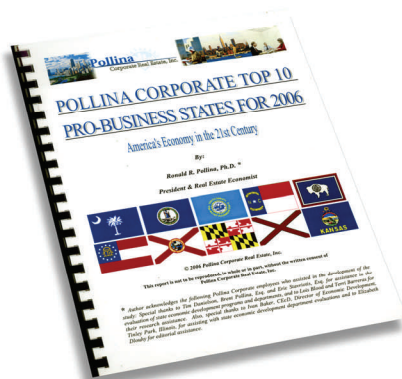
Companies creating “net” new jobs in certain of South Carolina's economically distressed counties will benefit from a corporate income tax moratorium. Companies that qualify for the moratorium will be able to entirely eliminate their state corporate income tax liability for a period of either 10 or 15 years.

Job Development Credits

Job Development Credits (JDC) are discretionary incentives that can address the specific needs of individual companies. The credit provides a rebate from personal income withholdings tax of eligible new employees and can be used to offset certain approved expenses such as real property costs, training or infrastructure.

Sales and Use Tax Exemption

South Carolina exempts long distance telecommunication services, including 800 services, from sales and use tax.



“From A to Z, South Carolina understands economic development and is clearly making the effort to continue its attractiveness to business. When it comes to economic development, it’s a state that other states should emulate.”

- Ronald R. Pollina, Ph.D., President,
Pollina Corporate Real Estate, Inc.

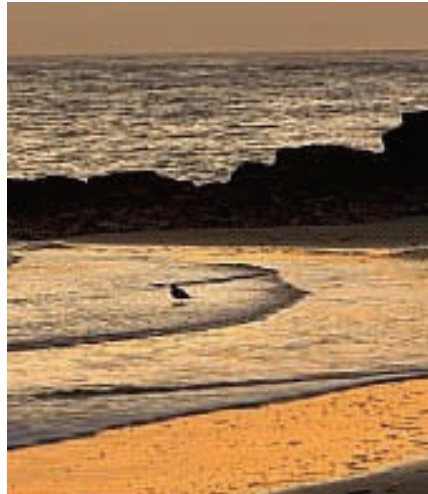
Enjoy the Palmetto State

South Carolina offers it all: arts and culture, a wonderful climate and a fantastic place to live, work and play.



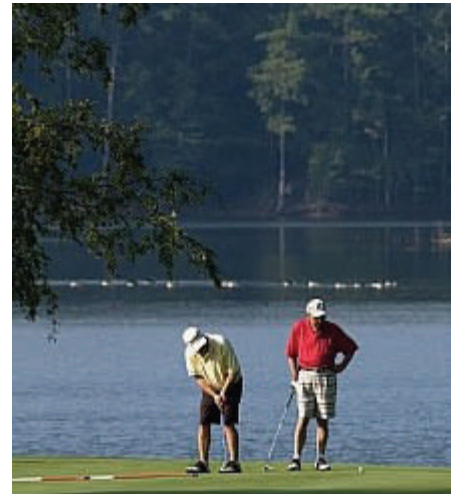
Arts and Entertainment

Cultural arts are prevalent in many areas across the state, from small towns to metropolitan areas. Steeped in unique cultural history and tradition, South Carolina offers a wide variety of arts and entertainment, including the world-renowned Spoleto Festival USA held annually in Charleston. Competitive conference play, in-state rivalries and excellent facilities also make college sports a popular pastime in the state.



Wonderful Climate

Warm summers and mild winters are characteristic of the Palmetto State. The subtropical climate found in most of the state arises from the combination of the state's relatively low latitude, its generally low elevation and the proximity of the warm Gulf Stream in the Atlantic. Residents enjoy outdoor activities, such as golf and tennis, year-round and companies see few weather-related business interruptions.



A Great Place to Live, Work and Play

South Carolina offers an ideal location that integrates a highly-skilled workforce with a fantastic location to live, work and play. This is due to a positive business environment which is continuing to attract skilled high-tech workers to the region. In turn, the economy and future high-tech and information-based job opportunities are growing. Simultaneously, the state is working hard to further increase the standard of living and quality of life for all in the state.



South Carolina Department of Commerce



*For more information on how we
can help your business grow, contact:*

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